programs are aimed at specific needs of state and local transportation agency staff; neither has attracted significant funding as yet.

Successful organizations use a range of techniques for training, including job rotation, on-the-job training, self-directed learning (often technology-based), mentor relationships, on-the-job coaching, special projects and assignments, and electronic learning technologies.[15] The use of technology-based training in particular has increased in recent years.[16] Such training can be expensive and resisted by both trainers and participants,[17] but it offers advantages, including the potential for presentation at a variety of locations, greater independence of scheduling, and opportunities for cost-sharing among like organizations (Tulgan 2001).

WORKFORCE RETENTION

Creating a workplace that employees find motivating and enriching is perhaps the most effective and low-cost retention strategy organizations can adopt (NAPA 2000). Employees want fair compensation, meaningful work, career advancement opportunities, increasing responsibility, and recognition and reward for their accomplishments.[18] *Fortune*'s 2001 Survey of the 100 Best Companies to Work For revealed that these companies address retention by devoting considerable resources to employee development, demonstrating to employees that they are valued, and paying attention to the importance of

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[15] Training can also be differentiated with regard to whether it is offered in-house or contracted out. A key determinant in deciding between the two is the extent to which the training content requires internal knowledge, such as organizational values and culture, versus technical information.

[16] Many transit agencies use CD-ROM training programs for defensive driving training. Modules include *The Professional*, which discusses operator health, customer relations, and prechecking a bus and *Smart Driving+* which emphasizes bus equipment (pretrip inspections, potential road problems, and reporting of problems to the maintenance division).

[17] Estimates for the time required to design 1 hour of good, interactive Web-based instruction range between 80 and 350 hours (Rothwell and Benkowski 2002).

[18] Preferences of different groups of employees can vary as can be seen by comparing these preferences with those of transit agency employees shown in Table 4-4.

employee benefits. The motivation for such efforts is the cost of employee replacement, which ranges from three to five times the individual's annual salary.[19] In addition to direct replacement costs, unplanned turnover has been shown to create additional operating costs: as the turnover rate increases, operational inefficiencies also increase as a result of inexperienced employees who are inadequately trained (CLC 1998).

Retention efforts begin when an employee starts to work. Research has shown that employees are vulnerable to voluntary turnover during their period of acclimation to the organization (NAPA 2000). Training and mentoring programs and organized coaching reduce the potential for turnover due to a new employee's not being made to feel welcome or wanted in the organization.[20] The Salt Lake City transit agency assigns new bus operators to the same specially trained supervisor for the duration of their orientation period. Because employees often cite the quality of their immediate supervisor as a determining factor in deciding whether to stay in an organization, managers must be trained and evaluated so that their style fits with the organization's mission and values.

Retention strategies must be based on current information about the characteristics and needs of the organization's employees, as well as the organization's needs.[21] Turnover can be good for an organization, especially if it involves unproductive employees. McEvoy and Cascio (1987) found that good performers are less likely to leave an organization than are bad performers. The crucial issue in analyzing turnover is not the number of employees leaving, but the performance

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[19] A retention study by the Corporate Executive Board revealed that recruiting is more costly than retention, even though difficulties in measuring turnover costs accurately mask the true magnitude of the problem.

[20] Retention is difficult for many transit agencies. Some have established mentor programs to assist new hires. Volunteer veteran operators, supervisors, and trainers with superior technical and customer relations skills work with new operators to make them comfortable with their jobs and the agency. Such mentor programs have been shown to reduce turnover significantly (McGlothin Davis 2002).

[21] Recent studies indicate that even highly satisfied employees leave for new opportunities (Cappelli 2000). Because retention is complicated by changing employee attitudes, organizations need to survey regularly what their employees value in the workplace.

and replaceability of those leaving versus those staying and the reasons difficult-to-replace employees are leaving. If the organization knows and understands these reasons—across occupational groups and geographical locations—it improves its chances of retaining productive employees, reducing turnover, and avoiding the costs associated with high turnover (CLC 1998).[22] Research has shown that work–life programs, in addition to being important for recruiting purposes, improve productivity, reduce turnover, and reduce absenteeism.[23] As a result, they are the key component of retention strategies for top-performing organizations. The Conference Board has noted that a primary reason for implementing work–life programs is organizational performance (CLC 1998).

Most work–life programs involve a combination of policies and practices that significantly affect the choices available to employees for achieving a desirable work–life balance. Giving employees choices conveys the message that management considers the individual to be important. The National Academy of Public Administration (NAPA) (1998) describes these policies and practices in terms of four dimensions of the work environment: personal control, life support, physical workspace, and workplace relationships. While each of these is a management issue, the first three focus more on individual employee issues; the fourth relates to a range of employee–employee and employee–management issues.

Policies and practices related to *personal control* give employees a greater range of choices over how, when, and where they work. They include such options as shared jobs, specialized leave programs, part-time and part-year appointments, and alternative work schedules.[24] *Life support* policies address the health and well-being of employees and those they care for. They include child and elder care, wellness

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[22] For example, retaining staff with specialized skills in high-cost urban areas presents a challenge different from doing so in lower-cost areas. Regular employee feedback surveys and exit interviews are critical to developing an effective retention program.

[23] Recruiting packages must describe such programs.

[24] In 1995 workers were found to be more likely to cut back hours at work, turn down a promotion, reduce their work commitment, and move to a different community to achieve a less hectic life than has been the case among workers just 5 years earlier, and this trend continues.

and fitness programs, retirement counseling, and career counseling and placement. *Physical workplace* issues deal with how employees get to work; where they work; and what workspace, equipment, and supplies they use. The area of *workplace relationships* encompasses such issues as diversity and affirmative action, labor–management relations, effective communication programs, supervisory training, and leadership development. Table 4-6 summarizes information about the practices that address these issues and their effects.

The General Accounting Office has found that retention of older workers is helpful for some public and a few private employers for several reasons, including high demand for their general skills, a critical need for specialized skills, long transition times for new workers, and employees' desire to continue working (GAO 2001). A variety of incentives, including flexible hours and financial benefits, reduced workloads (part-time or part-year schedules), and job sharing, have proved successful in encouraging older workers to continue working (GAO 2001, Table 8). Nonetheless, pension regulations, corporate culture, employment costs, and other impediments to retaining older workers may have to be addressed. For example, redesigning defined-benefit state pension plans to allow a pension participant of eligible retirement age to begin receiving pension benefits while continuing to work has enabled some public school districts and the SDOT to retain retirement-eligible employees and benefit from their experience and institutional knowledge.[25]

SUCCESSION MANAGEMENT[26]

Succession management is a way to meet an organization's future need for leaders with people who are intentionally prepared for such leadership. It is a systematic effort to project leadership requirements,

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[25] An example is Florida's Deferred Retirement Option Plan, which allows state employees who are eligible to retire to continue working for the state for 5 years at full salary. The employee's monthly retirement payment is deposited into a special account and accrues interest, tax deferred, as long as the employee continues to work.

[26] The discussion in this section is based on NAPA (1997).

TABLE 4-6 Example Work–Life Policies and Practices

Policy or Practice	Description	Measured Effects
Personal Control (Addresses Need for More Personal Control of Time and Greater Schedule Flexibility)		
Shared jobs and permanent part-time appointments	Arrangements that allow employees to continue to work part-time in shared assignments	Improved productivity and reduced absenteeism and turnover
Specialized leave programs	Specialized leave to meet the needs of a growing number of employees with child and elder care responsibilities	Improved productivity; reduced individual stress
Alternative work schedules	Flexible work schedules (flextime) that allow employees to set their own start and end times while continuing to work a specified number of hours each week. Compressed work schedules allow employees to work an 80-hour schedule in a 2-week period, but do it in less than 10 workdays by working more than 8 hours some days	Employers have reported higher productivity; employees have reported they are more productive when they can manage their own time; alternative schedules enlarge applicant pool
Life Support		
Employee assistance, wellness, and fitness programs	Counseling and referral services for substance abuse, indebtedness, spousal abuse, emotional problems, and other issues. Wellness programs address first aid and emergency assessments, immunizations and allergy injections, health-risk appraisals, health screenings, health counseling, and health education seminars. Fitness programs are offered as part of an overall health program	Improved productivity and reduced absenteeism and turnover
Caregiver assistance program	Leave-sharing programs; child and elder care assistance; dependent care assistance plans; child daycare facilities	Valuable recruiting and retention tools; reduced unexpected absenteeism; improved productivity; supported by alternative work schedules. Help in retaining growing numbers of employees with elder care responsibilities that could prompt them to retire early

Physical Workspace (Aimed at Matching the Workplace with the Type of Work and the Individual Worker)

Office accommodations	Changing size and organization of workspace (individual and communal) and hoteling, that is, providing mobile employees with cell phones, laptop computers, and other equipment so they can work at alternative sites and reserve office space on an as-needed basis	Improved productivity
Telecommuting	Arrangements that allow an employee to work away from the traditional worksite, either at home or at an alternative site	Improved recruiting capability; expanded applicant pool; reduced turnover; improved productivity; reduced costs

Workplace Relationships

Diversity and affirmative action	Diversity actions recognize that a workforce comprising people from many races, backgrounds, and cultures provides an assortment of values, experiences, and perspectives. Organizational efforts aim at helping employees from diverse backgrounds succeed through language and cultural training as needed. Affirmative action is a legislatively required and goal-oriented program to ensure a level playing field in the workplace	Anecdotal evidence, employee surveys, and limited measurement in large firms show that such actions result in an expanded applicant pool; reduced turnover; and improved productivity
Labor–management relations	Management and unions acknowledge each other's legitimate value, roles, functions, and responsibilities to the enterprise. Joint initiatives aim at value resolution of conflict rather than conflict avoidance. Development of an organizational culture that is supportive, flexible, and sensitive to the needs of the workforce. Union involvement in all aspects of strategic planning, program design, and specific work processes	Improved productivity and reduced costs
Effective communications programs	Communications programs designed to deliver information simply, clearly, frequently, and honestly. Organizations use multiple communications vehicles, including face-to-face meetings, online messages, intranet forums, e-mail, telephone hotlines, and newsletters	Help align employees with mission, vision, values, and strategy of the organization. Can improve productivity and reduce costs

TABLE 4-6 *(continued)* **Example Work–Life Policies and Practices**

Policy or Practice	Description	Measured Effects
Supervisory training	Training to establish clear organizational goals and objectives at the working level, provide an understanding of the technical aspects of human resource rules and regulations, develop the basis for a positive work environment, and provide feedback and counseling	Helps reinforce organizational values and vision. Can improve productivity and reduce costs
Leadership training	Training to provide senior managers with an understanding of different leadership styles, the components of these styles, and how each can be tied to organizational goals and management of people	Helps reinforce organizational values and vision. Can improve productivity and reduce costs

identify a pool of high-potential candidates, develop leadership competencies among those candidates through intentional learning experiences, and then select leaders from the pool of candidates.[27] To these ends, the organization's senior executives must be involved in a continuing discussion and analysis of what is needed, when it is needed, and why it is needed.

Systematic succession management is undertaken in response to many of the same change factors affecting the workforce, such as changing technology, downsizing and reorganization, globalization, social forces, and rising service expectations. Such questions as the following are addressed:

- What types of leaders will be needed?

- What competencies should they possess?

- Will more leaders (such as for teams, not necessarily more positions) be needed?

- What processes will be required to support the development of leaders?

- How will this leader development initiative affect performance outcomes, customer service, innovation, and cost reduction?

Benchmark principles or critical success factors for succession management were developed by NAPA's Center for Creative Leadership on the basis of interviews with exemplary organizations (NAPA 1997):

- *Commitment of leaders:* The single greatest determinant of the success or failure of a succession program in developing leaders is the personal involvement and commitment of the top leadership of the organization—the only ones who can identify and sustain the focus and resources needed to develop future leaders.

- *Integration with organization business plan:* Succession plans must be integrated with strategic business plans and be flexible and relatively simple in addressing the organization's changing needs.

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[27] Public agencies must work within public disclosure rules concerning job openings and classifications.

- *Ownership of program:* Succession programs must be owned by line managers and supported by human resource staff, integrated into all human resource processes, and consistent with the organizational culture.

- *Leadership pool:* A leadership pool approach that involves identifying high-potential candidates and recognizes future leaders as a corporate asset is preferred.

- *Leadership competencies:* The heart of the succession management process is the identification of leadership competencies—while recognizing that they can change—and assessment and development of potential candidates based on those competencies.

- *Regular review:* Regular review that involves all levels of the organization is essential. Such review addresses future potential as well as current performance

- *Leadership development:* Success in developing leaders depends on three critical dimensions: a variety of job assignments, education and training, and self-development. Leader competencies and a regular review process form the basis for a vision of what potential leaders need for growth.

- *Follow-through:* Accountability and follow-up using measurable outcomes are central to ensuring success. Accountability is the link back to strategy, making visible the value of succession and the development of leaders.

NAPA (1997) cites an effort of the Minnesota Department of Transportation (MNDOT) as a prime example of successful public-sector succession management.[28] In 1990 senior MNDOT leaders

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[28] Another example is the Wisconsin DOT Career Executive Program instituted in the 1980s. Employees who voluntarily entered the program received an extra week of vacation and an early retirement option without penalty. In return, they submitted to executive decisions about assignments in senior positions within the organization anywhere in the state. A former Wisconsin DOT chief administrative officer found the program to be highly successful in recognizing talented workers and encouraging competition for top positions.

saw the need to prepare employees for leadership as the agency began adapting to a changing environment. They undertook a long-term strategic initiative to create a pool of talent for targeted management and technical positions through the development of key competencies. Initially, 56 top positions were identified as critical to the agency's strategic objectives.

MNDOT's succession management process operates as follows. An employee succession plan survey helps identify those who are interested in being considered as candidates for the top positions. Individuals are rated by their managers and themselves against the competencies. An executive management review process identifies the top candidates; individuals who are not forwarded receive feedback on areas in which they need to develop for future consideration. This screening process occurs at three levels: division, bureau, and department. After final decisions are made, an individual development strategy is prepared for each competency. The MNDOT process compares well against the eight benchmarks listed above (see Table 4-7).

NAPA (1997) points out that the voluntary nature of identifying high-potential candidates may have some unintended consequences. The late bloomer who is not selected after volunteering several times may become discouraged. Moreover, some individuals do not have a good perspective on their potential as a leader and may not opt into the process. Some provision for volunteering by individuals, combined with nomination by managers, could provide a more balanced process so that all candidates with high leadership potential will be identified.

PARTNERING AND COOPERATIVE EFFORTS

In today's competitive world, no single business, agency, employee organization, educational institution, or union can single-handedly tackle the challenge of educating and training the transportation workforce. Developing a skilled workforce and improving the academic and technical skills of youth and adults are clear areas of mutual